

REFERENCE TITLE: fuel taxes; amount; annual adjustment

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2586

Introduced by
Representatives Lopes, Farley: Campbell CL, Heinz, Lujan, Patterson

AN ACT

AMENDING SECTION 28-5606, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-5606.01; RELATING TO MOTOR FUEL TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 28-5606, Arizona Revised Statutes, is amended to
3 read:
4 28-5606. **Imposition of motor fuel taxes**
5 A. In addition to all other taxes provided by law, a tax of eighteen
6 cents per gallon is imposed on motor vehicle fuel possessed, used or consumed
7 in this state, EXCEPT THAT:
8 1. BEGINNING JANUARY 1, 2010 THROUGH DECEMBER 31, 2010, THE TAX IS
9 TWENTY-TWO CENTS PER GALLON.
10 2. BEGINNING JANUARY 1, 2011 THROUGH DECEMBER 31, 2011, THE TAX IS
11 TWENTY-SIX CENTS PER GALLON.
12 3. BEGINNING JANUARY 1, 2012, THE TAX IS THIRTY CENTS PER GALLON.
13 B. To partially compensate this state for the use of its highways:
14 1. A use fuel tax is imposed on use fuel used in the propulsion of a
15 light class motor vehicle on a highway in this state at the same rate per
16 gallon as the motor vehicle fuel tax prescribed in subsection A of this
17 section, except that there is no use fuel tax on alternative fuels.
18 2. A use fuel tax is imposed on use fuel used in the propulsion of a
19 use class motor vehicle on a highway in this state at the rate of twenty-six
20 cents for each gallon, except that:
21 (a) BEGINNING JANUARY 1, 2010 THROUGH DECEMBER 31, 2010, THE TAX IS
22 THIRTY CENTS PER GALLON.
23 (b) BEGINNING JANUARY 1, 2011 THROUGH DECEMBER 31, 2011, THE TAX IS
24 THIRTY-FOUR CENTS PER GALLON.
25 (c) BEGINNING JANUARY 1, 2012, THE TAX IS THIRTY-EIGHT CENTS PER
26 GALLON.
27 (d) There is no use fuel tax on alternative fuels and use class
28 vehicles that are exempt pursuant to section 28-5432 from the weight fee
29 prescribed in section 28-5433 are subject to the use fuel tax imposed by
30 paragraph 1 of this subsection.
31 3. Beginning from and after August 31, 2005 through December 31, 2010,
32 a use fuel tax is imposed on use fuel used in the propulsion of a motor
33 vehicle transporting forest products in compliance with the requirements of
34 section 41-1516 on a highway in this state at the rate of thirteen cents for
35 each gallon, except that there is no use fuel tax on alternative fuels.
36 C. The motor vehicle fuel and use fuel taxes imposed pursuant to this
37 section and the aviation fuel taxes imposed pursuant to section 28-8344 are
38 conclusively presumed to be direct taxes on the consumer or user but shall be
39 collected and remitted to the department by suppliers for the purpose of
40 convenience and facility only. Motor vehicle fuel, use fuel and aviation
41 fuel taxes that are collected and paid to the department by a supplier are
42 considered to be advance payments, shall be added to the price of motor
43 vehicle fuel, use fuel or aviation fuel and shall be recovered from the
44 consumer or user.

1 D. Motor vehicle fuel and use fuel taxes imposed pursuant to this
2 section on the use of motor vehicle fuel and use fuel and the aviation fuel
3 taxes imposed pursuant to section 28-8344 on the use of aviation fuel, other
4 than by bulk transfer, arise at the time the motor vehicle, use or aviation
5 fuel either:

6 1. Is imported into this state and is measured by invoiced gallons
7 received outside this state at a refinery, terminal or bulk plant for
8 delivery to a destination in this state.

9 2. Is removed, as measured by invoiced gallons, from the bulk transfer
10 terminal system or from a qualified terminal in this state.

11 3. Is removed, as measured by invoiced gallons, from the bulk transfer
12 terminal system or from a qualified terminal or refinery outside this state
13 for delivery to a destination in this state as represented on the shipping
14 papers if a supplier imports the motor vehicle, use or aviation fuel for the
15 account of the supplier or the supplier has made a tax precollection election
16 pursuant to section 28-5636.

17 E. If motor fuel is removed from the bulk transfer terminal system or
18 from a qualified terminal or is imported into this state, the original
19 removal, transfer or importation of the motor fuel is subject to the
20 collection of the tax. If this motor fuel is transported to another
21 qualified terminal or reenters the bulk transfer terminal system, the
22 subsequent sale of the motor fuel on which tax has been collected is not
23 subject to collection of an additional tax if proper documentation is
24 retained to support the transaction.

25 Sec. 2. Title 28, chapter 16, article 1, Arizona Revised Statutes, is
26 amended by adding section 28-5606.01, to read:

27 28-5606.01. Motor fuel tax adjustments: distribution

28 A. THE MOTOR FUEL TAXES IMPOSED PURSUANT TO SECTION 28-5606 ARE
29 SUBJECT TO BOTH OF THE FOLLOWING:

30 1. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2012, THE MOTOR
31 VEHICLE FUEL TAX PRESCRIBED BY SECTION 28-5606, SUBSECTION A SHALL BE
32 ADJUSTED ANNUALLY BY THE SAME PERCENTAGE AS THE PERCENTAGE CHANGE IN THE
33 GROSS DOMESTIC PRODUCT INDEX FACTOR FOR THE STATE OF ARIZONA SUPPLIED BY THE
34 UNITED STATES BUREAU OF ECONOMIC ANALYSIS BETWEEN SEPTEMBER 2009 AND THE
35 SEPTEMBER BEFORE THE CALENDAR YEAR INVOLVED.

36 2. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2012, THE USE
37 FUEL TAXES PRESCRIBED BY SECTION 28-5606, SUBSECTION B SHALL BE ADJUSTED
38 ANNUALLY BY THE SAME PERCENTAGE AS THE PERCENTAGE CHANGE IN THE GROSS
39 DOMESTIC PRODUCT INDEX FACTOR FOR THE STATE OF ARIZONA SUPPLIED BY THE UNITED
40 STATES BUREAU OF ECONOMIC ANALYSIS BETWEEN SEPTEMBER 2009 AND THE SEPTEMBER
41 BEFORE THE CALENDAR YEAR INVOLVED.

42 B. NOTWITHSTANDING SECTIONS 28-6534, 28-6537 AND 28-6538, EACH FISCAL
43 YEAR THE DEPARTMENT SHALL ALLOCATE AND THE STATE TREASURER SHALL DISTRIBUTE
44 REVENUES OF THE ARIZONA HIGHWAY USER REVENUE FUND RESULTING FROM THE ANNUAL
45 PERCENTAGE CHANGE IMPOSED PURSUANT TO THIS SECTION AS FOLLOWS:

- 1 1. TO THE COUNTIES, THIRTY-EIGHT AND ONE-HALF PER CENT.
- 2 2. TO THE INCORPORATED CITIES AND TOWNS, FIFTY-FIVE AND ONE-HALF PER
- 3 CENT.
- 4 3. TO THE INCORPORATED CITIES WITH A POPULATION OF THREE HUNDRED
- 5 THOUSAND OR MORE PERSONS, SIX PER CENT.

6 Sec. 3. Requirements for enactment: two-thirds vote

7 Pursuant to article IX, section 22, Constitution of Arizona, this act
8 is effective only on the affirmative vote of at least two-thirds of the
9 members of each house of the legislature and is effective immediately on the
10 signature of the governor or, if the governor vetoes this act, on the
11 subsequent affirmative vote of at least three-fourths of the members of each
12 house of the legislature.